



Government of
Saskatchewan

Annual Report 1990

91-04392/

Saskatchewan
Milk
Control
Board

FIFTY-SIXTH ANNUAL REPORT
FOR THE TWELVE MONTHS
ENDED DECEMBER 31, 1990

SASKATCHEWAN MILK CONTROL BOARD

TABLE OF CONTENTS

Letter of Transmittal.....	1
Objectives and Organization.....	2
Introduction.....	3
Milk Production and Utilization	5
Producer Pools	7
Transportation	9
National Dairy Policy	10
Milk Control Board Activities	11
Legislation	12
Auditor's Report	14 - 20
Statistical Tables	21 - 30

SASKATCHEWAN MILK CONTROL BOARD

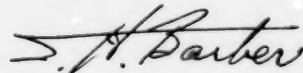
Honourable Grant Devine
President of the Executive Council
Province of Saskatchewan

Sir:

I have the honour to submit herewith the Fifty-Sixth Annual Report of the Saskatchewan Milk Control Board, together with the financial statements for the year ending December 31, 1990, pursuant to the Provisions of Section 38 of the Milk Control Act.

Respectfully submitted,

THE MILK CONTROL BOARD



Stan H. Barber
Chairman

SASKATCHEWAN MILK CONTROL BOARD

OBJECTIVES & ORGANIZATION

The Saskatchewan Milk Control Board served a key role in the development and implementation of Saskatchewan's dairy policy, and by so doing, promoted the development and maintenance of a healthy and viable dairy industry.

The Milk Control Board is a body corporate established pursuant to the Milk Control Act. The Board is accountable to the Legislature through the Minister of Agriculture.

The affairs of the Board are managed by a five member Board appointed by the Lieutenant-Governor-in-Council. The members of the Board are: Mr. Stanley H. Barber, Mrs. Henrietta Goplen, Dr. Eiler Humbert, Mr. Ron Steinley and Mr. Hans Seitz. Mr. Barber occupies the position of Chairman of the Board. The principle functions of the Board are to:

- set milk prices,
- license milk distributors,
- conduct processing plant audits,
- set producer milk and cream quotas,
- establish quota policies.

During the past fifty-six years of the Board's operation, the policies and regulations advanced by the Board have become increasingly complex. During 1990, all sectors of the Saskatchewan dairy industry worked diligently on developing a new butterfat pricing system. The new system adopted by the Board in February, 1991 is expected to provide numerous benefits to the industry. The most significant change is the fact that producers will be reacting to the declining butterfat consumption of the market place and becoming more market responsive.

SASKATCHEWAN MILK CONTROL BOARD

The Saskatchewan Milk Control Board is one of the signatories to the Comprehensive Milk Marketing Plan, the National Plan governing the production of industrial milk in Canada.

The Board and its staff carry out administrative, organizational and investigational duties as may be necessary to ensure that the objectives of the Act are achieved. The Board, in pursuing its duties, works closely with Saskatchewan producers and processors.

INTRODUCTION

The marketplace becomes more complex every year and change is occurring everywhere. As we entered the decade of the nineties, the dairy industry was faced with many challenges. The most profound challenge to the dairy industry regulatory system was trade, in particular the implications of the Free Trade Agreement with the United States and the discussions that are currently underway at the General Agreement on Tariffs and Trade (GATT) negotiations. The second challenge was the declining demand for butterfat.

In regard to trade, progress at the GATT negotiations has been extremely slow. However, there was an optimistic view that negotiations in the early part of 1991 might lead to some resolution.

The agrifood sector has been under tremendous pressure to be more competitive. Falling trade barriers, new foreign markets, globalization, consumer concerns about food safety and new products, and environmentalists' demands for production and processing methods that do not harm the natural environment were forcing all sectors

SASKATCHEWAN MILK CONTROL BOARD

of the dairy industry to reassess their future strategies.

During the past several years, the market demand for milk fat has declined, while at the same time, low-fat dairy product consumption has been increasing. Future supply management systems must clearly transmit these market signals to producers and processors to ensure a healthy competitive industry. With the foregoing in mind, the Board has been examining butterfat pricing alternatives that send proper signals to producers regarding the high-solids, low-fat composition of milk desired by consumers and processors.

The Milk Control Board continued to actively participate with all sectors of the industry in setting a long term focus on programs which recognized current and future market demands.

During 1990, the Federal Minister of Agriculture announced the formation of the Dairy Task Force. The purpose was to advise the Minister on current dairy matters and also identify options for the long-term (5 year) dairy policy which was scheduled to commence August 1, 1991. On July 10, 1990, a consultative document was published for the Dairy Task Force entitled "Growing Together." The document identified the following issues: supply management, market responsiveness, pricing, direct payment to farmers, the regulatory framework, the industrial milk quota system, interprovincial movement of quota, trade issues and further processor issues. The Task Force held consultation meetings across Canada and interested parties submitted briefs at the meetings. The final report to the Minister was expected to be ready by April 1, 1991.

SASKATCHEWAN MILK CONTROL BOARD

MILK PRODUCTION AND UTILIZATION

There are two markets for milk in Saskatchewan. While the fluid market (table milk and fresh cream) accounted for 44.5 percent of the milk produced, the remaining 55.5 percent was processed for the industrial milk market into dairy products such as butter, cheese, yogurt and ice cream.

During 1990, milk producers marketed a total of 218,332,205 kilograms of milk. This represented a 0.8 percent decrease from the 1989 level (Table III). The number of milk producers decreased by 2.4 percent from 663 in January, 1990 to 647 in December of 1990. The average daily shipment per producer was 913 kilograms per day, an increase of 1.02 percent (Table III).

Whole milk requirements or milk utilized for the bottle trade in 1990 accounted for 97,184,490 kilograms of milk, a decrease of 1,033,225 kilograms or 1.05 percent decrease over 1989.

Wholesale milk experienced a slight increase from 54.2 percent to 54.7 percent of sales in 1990, while sales in non-controlled areas decreased from 33.8 percent to 33.4 percent. Home-delivered milk sales remained relatively constant at 12.0 percent (Table V).

With respect to the National Supply Management Program, 1990 was highlighted by quota reductions and increased levy rates. The Market Share Quota (M.S.Q.) was reduced by 3.0 percent on February 1, 1990, and by an additional 3.0 percent effective August 1, 1990. To accommodate these M.S.Q. reductions and other factors involved (butterfat tests, quota transfer assessments and fluid sales), the Board determined that effective February 1, 1990, each Saskatchewan milk and cream

SASKATCHEWAN MILK CONTROL BOARD

producer's total yearly production quota would be reduced by 1.5 percent.

In Saskatchewan, producers of industrial milk and cream shipped 4,401,742 kilograms of butterfat during the 1989-90 dairy year, representing a utilization of 103.0 percent of the provincial M.S.Q. The average butterfat test on all milk was 3.57 percent per hundred kilograms, 0.8 percent higher than the previous dairy year. Provincial subsidy entitlement for the 1989-90 dairy year totalled 4.273 million kilograms of butterfat. Board levy collections were based on provincial levy rates of \$2.81 per hundred kilograms for within-quota shipments and \$27.88 per hundred kilograms for over-quota milk shipments.

During the 1989-90 dairy year, a surplus of \$10.5 million was accumulated in the Canadian Dairy Commission's in-quota levy account for industrial milk. This surplus resulted because of a higher-than-expected world price for fresh skim milk powder and whole milk products. Saskatchewan's share of the surplus totalled \$277,711, which allowed a refund of approximately 24.9 cents per hundred kilograms of milk on which in-quota levy was deducted.

Cream producers shipped 301,148 kilograms of butterfat or approximately 7.0 percent of the total M.S.Q. issued to the province. In August 1990, the Board allocated all of the province's M.S.Q. to existing milk and cream producers according to the quota policies.

After meeting the Board's commitments regarding the payment of levies to the Canadian Dairy Commission, the Board was able to refund approximately \$596 thousand of the total \$1.4 million collected as over-quota levies. Individual milk and cream producers, therefore,

SASKATCHEWAN MILK CONTROL BOARD

received refunds on their over-quota production up to and including 2.75 percent of their individual quotas. Over-quota penalties collected on shipments in excess of 102.75 percent which totalled \$827,902, were forwarded to the Canadian Dairy Commission.

PRODUCER POOLS

Now in its sixteenth year of operation, the fluid milk pool continues to function very well. All Saskatchewan milk producers participated in the Group I pool program in an equitable manner. As a Group I pool member, each producer received annually a daily quota, which was based on his production during the six month quota-building period (September 1 to February 28). This quota was the volume for which blend prices were paid. During 1990, the fluid milk pool purchased approximately \$8.7 million worth of milk each month for a total of \$104 million for the year. In Table VIII, the average monthly prices paid to producers for Group I pool milk shipments based on milk testing at 3.5 percent butterfat is cited. The 1990 Group I pool milk remained relatively constant at 92.0 percent of total shipments. The average Group I pool payout for 1990 was \$49.03, a slight increase of \$0.11 over 1989 (Table VIII).

During the past year, the Board's quota policies remained unchanged. Dairy herds (milk or cream) could be sold with the quota being transferred with the herd. A producer who purchased a herd could relocate the herd and receive 80.0 percent of the quota. In such a case, 20.0 percent of the quota would be returned to the Board for reallocation to new or existing producers. Quota that transferred within the immediate family did so without any transfer assessment being applied.

SASKATCHEWAN MILK CONTROL BOARD

Also, when an existing dairy farm was sold as an "ongoing operation", the total quota was transferred to the new owner without any transfer assessment being applied.

The distribution of dairy units and quota allocation is depicted in Table I.

TABLE I

FARM TYPE AND QUOTA - 1989 AND 1990 (AUGUST 1)

	<u>1989</u>		<u>1990</u>	
	<u>Number</u>	<u>Daily Qta. Ave (kgms)</u>	<u>Number</u>	<u>Daily Qta. Ave (kgms)</u>
Single Proprietor	404	757	398	760
Limited Company	54	1,361	56	1,356
Colony	43	1,281	44	1,287
Partnership	<u>168</u>	<u>1,004</u>	<u>158</u>	<u>1,020</u>
Total	669	901	656	909

The fluid milk pricing formula continued to be used by the Board as a guide in establishing the price of Class I milk. According to the economic pricing formula, no price adjustment was warranted during 1990. The last producer price increase in Class I milk occurred on January 1, 1989.

The price of fluid milk was increased on one occasion, October 1, 1990, when a consumer price increase of approximately 2 cents per litre was allotted to the processing sector to accommodate for increased operating costs.

At the federal level, the Industrial Target Returns Formula (Class II and Class III) increased on one occasion during the year under review. The Canadian Government announced an increase in the

SASKATCHEWAN MILK CONTROL BOARD

Target Return of \$1.20 per hundred kilograms on August 1, 1990 and to achieve this, the support price for butter was increased to \$5.33 per kilogram, while skim milk powder was set at \$3.13 per kilogram. The new target price for industrial milk was set as \$48.69 per hectolitre (including subsidy).

TRANSPORTATION

During the past year, the effect of rising transportation costs has been evident through increases in the transportation charges. The trucking rates paid by producers increased by approximately 12.0 percent on May 1, 1990, (Table XII).

The total cost to transport the 218 million kilograms of milk marketed amounted to \$4.34 million, or an average cost of \$1.99 per 100 kilograms. Under the regulations of the pool, producers were charged haulage to the nearest fluid milk plant. The transportation cost comparison is depicted in Table II.

TABLE II

TRANSPORTATION VOLUMES AND RATES - 1984 TO 1990

<u>YEAR</u>	<u>VOLUME TRANSPORTED (KGMS)</u>	<u>AVERAGE RATE PER 100 KGMS</u>
1990	218,332,205	\$1.99
1989	220,019,313	1.85
1988	226,918,796	1.85
1987	218,010,030	1.85
1986	214,162,415	1.84
1985	203,294,363	1.81
1984	211,189,554	1.78

SASKATCHEWAN MILK CONTROL BOARD

It is evident from Table II that transportation cost increases during the past seven years were significantly below the increase in the consumer price index. The Board acknowledges and appreciates the commitment of bulk milk transporters in achieving an efficient transportation system.

NATIONAL DAIRY POLICY

The 1989-90 dairy year was an active year for the dairy industry. Canadian dairy policies were subjected to intense scrutiny as a result of the Canada-U.S. trade agreement and the ongoing GATT negotiations.

Domestic consumption of butterfat continued to decrease as market demand for low-fat dairy products increased. To accommodate the shift in consumer demand, the Canadian Milk Supply Management Committee agreed to reduce Market Share Quotas twice during 1990. In January, the M.S.Q. was reduced by 3.0 percent to 46.1 million hectolitres of milk and by an additional 3.0 percent for the new dairy year, August 1, 1990. With the continued weakness in the butter market and the continued shift to low-fat dairy products, additional M.S.Q. reductions can be expected during 1991.

On August 1, 1990, the target price for industrial milk was set at \$47.28 per hundred kilograms, an increase of \$1.20. The respective levies for industrial milk for the 1990-91 dairy year were as follows: in-quota levy, \$3.44 per hundred kilograms; over-quota levy, \$33.00 per hundred kilograms on milk and \$4.00 per kilogram on cream. The "skim-off" levy (collected through a subsidy holdback from fluid shipments) was increased

SASKATCHEWAN MILK CONTROL BOARD

slightly to \$0.31 per hundred kilograms.

MILK CONTROL BOARD ACTIVITIES

There were no changes in the Board structure in the year under review.

During the past year, the Board held five regular meetings. Board members also spent numerous days attending various committee meetings, as well as maintaining contact with local milk committees, producers and industry organizations.

The Board Chairman, together with members of the Quota Advisory Committee, attended six meetings of the Canadian Milk Supply Management Committee (C.M.S.M.C.). The Chairman continued to serve on the Secretariat to the C.M.S.M.C., and also represented Saskatchewan as a member on the Interprovincial Transfer of Market Share Quota Committee. The Board gratefully acknowledges the contributions of Committee members, and is indebted to the advice, support and cooperation extended to it by all sectors of the dairy industry.

The pricing of milk for fluid purposes was a Board responsibility. The Board's primary objective was to provide efficient producers and processors with a fair return to labour, management and investment. The Board reviewed the financial status of the production and processing sectors, and determined that a price increase milk at the processor level was warranted. This was accommodated by an increase of 2 cents per litre effective October 1, 1990.

The Board continues to emphasize the principle of fairness in the public interest, that is, ensuring

SASKATCHEWAN MILK CONTROL BOARD

that milk prices reflect legitimate costs plus a fair rate of return. By achieving this, the consumers of Saskatchewan will be assured of a steady supply of good quality milk at a reasonable price.

Financing of the operation of the Board was derived from assessment fees levied on producers and processors, processor license fees and interest on investments.

LEGISLATION

The pricing of milk for fluid purposes was a Board responsibility. The Federal Government has jurisdiction over the industrial milk market, administered through a federal-provincial agreement known as the National Milk Marketing Plan.

The following is an outline of the decisions of the Board during 1990 regarding fluid and industrial milk prices.

In Board Order No. 581 (Regulation 1990 (No. 1), filed August 1, 1990 and effective August 16, 1990, the price structure was revised in the producing sector. The adjusted prices for Class II and Class III milk listed below:

Class II milk....	\$42.42 per 100 kilograms
Class III milk...	\$40.67 per 100 kilograms

In Board Order No. 582 (Regulation 1990 (No. 2), effective October 1, 1990, the price structure was revised in the retail and wholesale sectors. These orders increased the consumer's price of milk for retail home

SASKATCHEWAN MILK CONTROL BOARD

delivery. The following were the adjusted maximum price schedules:

Whole Milk.....	\$ 3.72	/4 litre pouch pak
.....	\$ 1.90	/2 litre container
Partly Skimmed 2%.	\$ 3.68	/4 litre pouch pak
.....	\$ 1.88	/2 litre container
Partly Skimmed 1%.	\$ 1.86	/2 litre container
.....	\$.94	/1 litre container
Skim Milk.....	\$ 3.60	/4 litre pouch pak
.....	\$ 1.84	/2 litre container
Chocolate Drink...	\$ 1.05	/1 litre container
Buttermilk.....	\$ 1.00	/1 litre container

THE MILK CONTROL BOARD

FINANCIAL STATEMENTS

Year Ended December 31, 1990

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have audited the balance sheet of The Milk Control Board as at December 31, 1990 and the statements of revenue, expenditure and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 1990 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

W.K. Strelioff

Regina, Saskatchewan
February 28, 1991

W. K. Strelioff
Provincial Auditor

THE MILK CONTROL BOARD

BALANCE SHEET

As at December 31

	<u>1990</u>	<u>1989</u>
ASSETS		
Current:		
Cash	\$ 498,252	\$ 446,243
Accounts receivable		
- trade	5,640,896	5,665,556
- other	<u>4,500</u>	<u>4,501</u>
	6,143,648	6,116,300
Fixed:		
Office furniture & equipment		
(Note 1(c) and 3)	<u>13,495</u>	<u>19,313</u>
	<u>\$6,157,143</u>	<u>\$6,135,613</u>
LIABILITIES AND EQUITY		
Current:		
Accounts payable		
- trade	\$5,942,593	\$5,896,147
- vacation accrual	33,444	26,200
Deferred revenue	<u>---</u>	<u>5,500</u>
	5,976,037	5,927,847
Equity:		
Retained earnings (Statement 2)	<u>181,106</u>	<u>207,766</u>
	<u>\$6,157,143</u>	<u>\$6,135,613</u>

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

STATEMENT OF REVENUE, EXPENDITURE AND RETAINED EARNINGS

Year Ended December 31

	<u>1990</u>	<u>1989</u>
Revenue:		
Milk sold to Processors	\$104,048,800	\$103,819,568
Milk Pool Administration and Assessment fees	484,164	488,735
Interest	98,401	95,900
Milk quality penalties	14,145	19,073
Cost of Production Study grants	5,500	22,000
Licence fees and miscellaneous	<u>371</u>	<u>199</u>
	<u>104,651,381</u>	<u>104,445,475</u>
Expenditure:		
Milk purchased from Producers	104,048,800	103,819,568
Salaries	234,761	231,624
Milk Pool administration expense	163,173	157,767
Cost of Production Study	66,043	85,020
Travel, sustenance and vehicle expense	57,167	43,522
Rent	33,529	32,050
Administrative expense	23,307	24,551
Employee benefits	15,450	13,594
Disposal of unsaleable milk	12,788	33,736
Honorarium - Milk Control Board	11,005	5,800
- Advisory Board	6,200	3,500
Depreciation	<u>5,818</u>	<u>5,819</u>
	<u>104,678,041</u>	<u>104,456,551</u>
Excess of expenditure over revenue	(26,660)	(11,076)
Retained earnings, beginning of year	<u>207,766</u>	<u>218,842</u>
Retained earnings, end of year (Statement 1)	<u>\$ 181,106</u>	<u>\$ 207,766</u>

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31

	<u>1990</u>	<u>1989</u>
Cash (used in) provided by operating activities		
Excess of expenditure over revenue	\$(26,660)	\$(11,076)
Add depreciation not requiring an outlay of cash	<u>5,818</u>	<u>5,819</u>
	(20,842)	(5,257)
Net change in non-cash working capital	<u>72,851</u>	<u>25,743</u>
Cash provided by operating activities	52,009	20,486
Cash (used in) investing activities		
Acquisition of fixed assets	<u>---</u>	<u>(19,419)</u>
Net increase in cash during the year	52,009	1,067
Cash, beginning of year	<u>446,243</u>	<u>445,176</u>
Cash, end of year	<u>\$498,252</u>	<u>\$446,243</u>

(See accompanying notes to the financial statements)

THE MILK CONTROL BOARD

NOTES TO FINANCIAL STATEMENTS

December 31, 1990

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

a) Accrual Accounting

The financial statements are prepared on the accrual basis of accounting.

b) Milk Pool

The Milk Control Board is responsible under the statutes of Saskatchewan for the control and regulation of the marketing of milk in the province. In fulfilling this responsibility, the Board operates a milk pooling system whereby the Board purchases the milk from the producers and sells it to the processors. The value of the milk sold to the processors is determined by its final product use and the prices established by the Board. The purchase price paid by the Board is based upon the value of the milk sold to the processors and upon the quality and quantity of milk shipped by the producers.

c) Fixed Assets

Office furniture and equipment is recorded at cost less accumulated depreciation; maintenance and repairs are charged against operations as incurred.

Equipment is depreciated over its estimated useful life on the straight-line method at 20% per annum.

d) Deferred Revenue

The Board receives grants from the Saskatchewan Department of Agriculture and Food to assist in Cost of Production Studies. This assistance is recognized as revenue in the financial statements in a manner directly related to the period for which the funding was provided. No grant was received in the 1990 fiscal year.

2. Incorporation

The Milk Control Board was established as a body corporate under The Milk Control Act, Chapter 234, Revised Statutes of Saskatchewan, 1965, and is continued under Chapter M-15, Revised Statutes of Saskatchewan, 1978.

The Board has authority to make any regulations or orders in connection with the production, supply, distribution or sale of milk as it may deem necessary.

3. Fixed Assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>1990 Net Book Value</u>	<u>1989 Net Book Value</u>
Office furniture and equipment	<u>\$37,303</u>	<u>\$23,808</u>	<u>\$13,495</u>	<u>\$19,313</u>

4. Related Party Transactions

a) Grants

In 1990, the Board recognized \$5,500 (1989 - \$22,000) as revenue from the Saskatchewan Department of Agriculture and Food to assist in the costs of the Cost of Production Studies.

b) Milk Pool Administration Expense

In 1990, the Board was billed \$54,981 (1989 - \$55,882) by the Saskatchewan Department of Agriculture and Food for milk composition analysis and data transfer services.

c) Other

Also included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown-controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

TABLE III

**TOTAL WHOLE MILK REQUIREMENTS, NUMBER OF
MILK PRODUCERS AND AVERAGE DAILY PRODUCTION 1989-90 (KGS)**

<u>PERIOD</u>	<u>YEAR</u>	<u>WHOLE MILK REQUIREMENTS</u>	<u>TOTAL PRODUCTION</u>	<u>NUMBER OF PRODUCERS</u>	<u>DAILY AVERAGE PER PRODUCER</u>
January	1989	8,561,747	19,036,763	680	903
	1990	8,385,036	18,798,340	663	915
February	1989	7,906,009	17,571,193	678	926
	1990	7,638,332	17,531,925	661	947
March	1989	8,751,580	19,573,096	674	937
	1990	8,685,959	19,463,116	661	950
April	1989	7,838,802	18,781,551	673	930
	1990	7,786,649	18,618,876	660	940
May	1989	8,289,311	19,441,138	672	933
	1990	8,324,421	19,006,697	657	933
June	1989	8,248,329	18,481,984	672	917
	1990	7,854,101	18,307,795	656	930
July	1989	7,199,131	18,386,438	671	884
	1990	7,442,503	18,394,702	656	905
August	1989	8,252,823	18,337,818	669	884
	1990	8,213,232	18,387,078	656	904
September	1989	8,315,859	17,414,263	667	870
	1990	7,611,550	17,244,619	651	883
October	1989	8,566,629	17,650,628	666	855
	1990	8,561,486	17,571,097	649	873
November	1989	8,203,848	17,173,430	666	860
	1990	8,576,738	17,007,990	648	875
December	1989	8,083,647	18,171,011	665	881
	1990	8,104,483	17,999,970	647	897
TOTALS	1989	98,217,715	220,019,313	671	898
	1990	97,184,490	218,332,205	655	913
% Change		-1.05	- .77	-2.38	+1.02

TABLE IV

**COMPARATIVE FIGURES ON KILOGRAMS OF MILK
PRODUCTION AND SALES BY CONTROL AREA - 1988-89-90**

<u>CONTROL AREAS</u>		<u>1988</u>	<u>1989</u>	<u>1990</u>
REGINA ^{1/ 3/}	PRODUCTION SALES	39,957,785 32,234,052	37,508,668 31,299,445	36,432,564 30,880,317
PRINCE ALBERT	PRODUCTION SALES	7,013,796 6,713,137	6,597,157 6,631,045	6,469,740 6,532,986
YORKTON ^{3/}	PRODUCTION SALES	42,869,466 9,021,889	42,028,373 8,918,691	40,724,420 8,876,891
SASKATOON	PRODUCTION SALES	86,431,837 31,624,434	84,431,769 31,074,549	85,402,670 30,841,374
SWIFT CURRENT	PRODUCTION SALES	25,775,309 4,538,517	25,268,860 4,448,531	25,612,076 4,442,290
BATTLEFORDS	PRODUCTION SALES	10,525,287 4,882,231	10,985,346 4,835,187	11,325,849 4,778,774
WEYBURN	PRODUCTION SALES	2,799,354 2,460,122	2,604,506 2,358,052	2,527,245 2,344,273
ESTEVAN	PRODUCTION SALES	2,687,195 2,132,564	2,372,993 2,041,043	2,336,123 2,002,618
MELFORT	PRODUCTION SALES	5,096,341 4,033,179	4,919,609 3,815,626	4,366,262 3,764,293
LLOYDMINSTER ^{2/}	PRODUCTION SALES	3,762,426 3,088,786	3,302,032 2,795,546	3,135,256 2,720,674
TOTALS	PRODUCTION SALES	226,918,796 100,728,911	220,019,313 98,217,715	218,332,205 97,184,490

^{1/} Includes the control area of Moose Jaw.

^{2/} Lloydminster is not a controlled area but is under the Saskatchewan Fluid Milk Pool.

^{3/} The sales and production for the control area of Melville are included in Regina and Yorkton.

TABLE V

**COMPARATIVE SALES BY LITRES OF MILK AND
CREAM PRODUCTS IN SASKATCHEWAN - 1989-90**

<u>PRODUCTS</u>	<u>YEAR</u>	<u>RETAIL SALES (HOME DELIVERY)</u>	<u>WHOLESALE SALES</u>	<u>COUNTRY SALES ^{1/}</u>	<u>TOTAL SALES</u>	<u>%</u>
Whole Milk	1989 1990	2,260,207 2,082,367	9,320,144 8,744,924	6,796,689 5,998,875	18,377,040 16,826,166	19.2 17.7
Partly Skimmed 2%	1989 1990	7,132,594 6,583,927	30,165,079 27,988,863	19,356,486 17,972,841	56,654,159 52,545,631	59.2 55.4
Partly Skimmed 1%	1989 1990	812,512 1,395,162	5,299,619 7,420,392	2,829,478 4,078,365	8,941,609 12,893,919	9.3 13.6
Skimmed	1989 1990	1,005,013 1,055,878	3,896,002 4,371,506	1,636,240 1,836,117	6,537,255 7,263,501	6.8 7.7
Chocolate	1989 1990	209,428 198,988	2,883,783 2,911,293	1,527,240 1,533,989	4,620,451 4,644,270	4.8 4.9
Buttermilk	1989 1990	39,444 37,106	435,247 412,903	241,384 222,436	716,075 672,445	.7 .7
TOTAL MILK SALES	1989 1990	11,459,198 11,353,428	51,999,874 51,849,881	32,387,517 31,642,623	95,846,589 94,845,932	100.0 100.0
10% CREAM	1989 1990	114,928 109,749	1,340,546 1,336,190	472,495 468,786	1,927,969 1,914,725	
18% CREAM	1989 1990	690 1,300	15,868 11,426	146 474	16,704 13,200	
32% CREAM	1989 1990	20,615 24,190	494,055 504,460	243,154 246,295	757,824 774,945	

**TOTAL MILK SALES BY DISTRIBUTION OUTLET
1989 - 90**

	<u>1989</u>	<u>%</u>	<u>1990</u>	<u>%</u>
Retail Sales (Home Delivery)	11,459,198	12.0	11,353,428	11.97
Wholesale Sales	51,999,874	54.2	51,849,881	54.67
Country Sales ^{1/}	32,387,517	33.8	31,642,623	33.36
TOTAL SALES	95,846,589	100.0	94,845,932	100.00

^{1/} Sales in non-controlled areas

TABLE VI

MARKET SHARE QUOTA UTILIZATION BY DAIRY YEAR

<u>MONTH</u>	<u>YEAR</u>	<u>INDUSTRIAL MILK ^{1/}</u>			<u>INDUSTRIAL CREAM</u>	<u>TOTAL KILOGRAMS BUTTERFAT</u>
		<u>AVERAGE TEST</u>	<u>KILOGRAMS MILK</u>	<u>KILOGRAMS BUTTERFAT</u>	<u>KILOGRAMS BUTTERFAT</u>	
August	1988	3.47	10,535,562	365,584	50,703	416,287
	1989	3.44	9,511,250	327,187	42,591	369,778
September	1988	3.58	8,635,587	309,154	42,186	351,340
	1989	3.63	8,512,727	309,012	29,848	338,860
October	1988	3.69	9,018,970	332,800	31,171	363,971
	1989	3.73	8,529,973	318,168	26,039	344,207
November	1988	3.65	8,416,384	307,198	27,384	334,582
	1989	3.70	8,492,108	314,208	21,946	336,154
December	1988	3.57	9,460,028	337,723	24,660	362,383
	1989	3.65	9,494,329	346,543	16,134	362,677
January	1989	3.53	9,781,473	345,286	25,318	370,604
	1990	3.59	9,843,092	353,367	19,579	372,946
February	1989	3.51	9,115,385	319,950	25,014	344,964
	1990	3.59	9,402,981	337,567	18,836	356,403
March	1989	3.56	10,237,051	364,439	31,325	395,764
	1990	3.57	10,152,353	362,439	22,621	385,060
April	1989	3.55	10,398,423	369,144	29,797	398,941
	1990	3.58	10,333,994	369,957	22,801	392,758
May	1989	3.50	10,636,429	372,275	35,575	407,850
	1990	3.53	10,136,742	357,827	28,064	385,891
June	1989	3.42	9,729,883	332,762	37,182	369,944
	1990	3.46	9,953,642	344,396	27,943	372,339
July	1989	3.42	10,710,322	366,293	25,551	391,844
	1990	3.45	10,432,551	359,923	24,746	384,669
TOTALS	1988/89	3.54	116,675,497	4,122,608	385,866	4,508,474 ^{2/}
	1989/90	3.57	114,795,742	4,100,594	301,148	4,401,742

^{1/} Includes all milk utilized for industrial purposes.

^{2/} Market Share Quota allocated to Saskatchewan for each of the past two dairy years was 4,402,000 kilograms of butterfat.

TABLE VII

SALES OF MILK AND CREAM PRODUCTS IN LITRES IN CONTROL AREAS - 1989 - 1990

	YEAR	WHOLE MILK	2% PARTLY SKIM MILK	1% PARTLY SKIM MILK	SKIM MILK	CHOCOLATE MILK	BUTTER MILK	10% CREAM	18% CREAM	32% CREAM	TOTAL LITRES
REGINA ^{1/} 3/	1989	5,777,843	17,733,543	2,962,312	2,328,799	1,525,127	221,686	710,922	8,478	216,729	31,485,439
	1989	5,300,726	16,275,838	4,268,990	2,377,479	1,511,969	206,014	705,085	7,039	219,133	31,072,173
	% CHANGE	- 8.26	- 8.22	+44.11	+10.68	- .86	- 7.07	- .82	-16.97	+ 1.11	- 1.31
PRINCE ALBERT	1989	1,395,968	3,858,840	536,066	283,799	354,345	46,166	76,846	---	43,721	6,595,751
	1990	1,252,592	3,644,702	747,168	337,510	356,124	45,062	78,262	---	43,995	6,502,482
	% CHANGE	-10.27	- 5.55	+39.38	+18.93	- .50	- 8.89	+ 1.84	---	+ .63	- 1.42
YORKTON ^{2/}	1989	2,000,162	4,996,209	767,112	512,091	339,143	60,615	202,952	---	100,688	8,998,972
	1990	1,777,570	4,814,538	1,052,265	583,720	350,369	77,415	200,535	---	103,859	8,960,271
	% CHANGE	-11.13	- 3.64	+37.17	+13.99	+ 3.31	- 3.97	- 1.19	---	+ 3.15	- .43
SASKATOON	1989	5,344,060	18,016,255	3,039,735	2,314,803	1,370,744	229,744	706,243	8,226	256,058	31,285,868
	1990	4,999,425	16,568,657	4,434,537	2,487,289	1,379,649	220,253	702,701	6,161	266,632	31,065,304
	% CHANGE	- 6.45	- 8.04	+45.89	+ 7.45	- .65	- 4.13	- .50	-25.10	+ 4.13	- .71
SWIFT CURRENT	1989	781,136	2,576,794	456,956	305,397	180,478	37,509	58,963	---	35,304	4,432,537
	1990	700,538	2,446,735	609,504	360,692	178,579	35,774	57,100	---	35,360	4,424,482
	% CHANGE	-10.32	- 5.05	+33.38	+18.17	- 1.05	- 4.63	- 3.16	---	+ .16	- .18
BATTLEFORDS	1989	1,070,722	2,899,492	280,254	203,282	223,695	30,601	51,291	---	30,997	4,800,334
	1990	986,758	2,679,805	500,121	236,638	231,451	27,293	49,550	---	31,627	4,745,343
	% CHANGE	- 7.66	- 7.58	+72.30	+16.41	+ 3.47	-10.81	- 3.20	---	+ 2.03	- 1.15
WEYBURN	1989	419,446	1,370,471	209,263	148,393	140,438	16,084	30,994	---	12,626	2,347,715
	1990	371,800	1,290,595	304,439	173,800	134,263	15,201	31,297	---	13,010	2,334,405
	% CHANGE	-11.36	- 5.83	+45.48	+17.12	- 4.40	- 5.49	+ .98	---	+ 3.04	- .57
ESTEVAN	1989	365,070	1,218,635	145,251	125,567	110,020	8,648	18,770	---	9,956	2,021,917
	1990	340,687	1,093,871	234,447	161,261	118,436	8,003	19,167	---	8,873	1,984,755
	% CHANGE	-11.53	-10.24	+61.41	+26.44	+ 7.64	- 7.46	+ 2.12	---	-10.88	- 1.83
MELFORT	1989	783,744	2,231,394	340,831	142,735	192,733	33,106	42,942	---	34,531	3,802,016
	1990	719,369	2,112,064	470,093	156,244	186,936	29,734	43,047	---	34,493	3,751,960
	% CHANGE	- 8.21	- 5.35	+37.93	+ 9.46	- 3.01	-10.19	+ .24	---	- .11	- 1.32
LLOYDMINSTER ^{2/}	1989	418,889	1,752,526	193,829	172,389	183,728	11,916	28,046	---	17,214	2,778,537
	1990	374,701	1,618,826	272,455	186,648	196,504	10,696	27,881	---	17,963	2,707,674
	% CHANGE	-10.55	- 7.63	+40.56	+ 9.43	+ 6.95	-10.24	- .59	---	+ 4.35	- 2.55
TOTALS	1989	18,377,040	56,654,159	8,941,609	6,537,255	4,620,451	716,075	1,927,969	16,704	757,824	98,549,086
	1990	16,826,166	52,545,631	12,893,919	7,263,501	4,644,270	672,445	1,914,725	13,200	774,945	97,548,802
	% CHANGE	- 8.44	- 7.25	+44.20	+11.11	+ .52	- 6.09	- .58	-20.97	+ 2.26	- 1.02

^{1/} INCLUDES THE CONTROL AREA OF MOOSE JAW^{2/} LLOYDMINSTER IS NOT A CONTROLLED AREA BUT IS UNDER THE SASKATCHEWAN FLUID MILK POOL.^{3/} THE SALES AND PRODUCTION FOR THE CONTROL AREA OF MELVILLE ARE INCLUDED IN REGINA AND YORKTON.

TABLE VIII

THE AVERAGE MONTHLY MILK POOL PRICE - 1989-90 ^{1/}
(PER HUNDRED KILOGRAMS OF 3.5% BUTTERFAT)

<u>MONTH</u>	<u>GROUP I POOL</u>			<u>GROUP II POOL</u>		
	<u>1989</u>	<u>1990</u>	<u>% CHANGE</u>	<u>1989</u>	<u>1990</u>	<u>% CHANGE</u>
January	\$49.04	\$49.01	- .06	\$42.29	\$42.70	+ .97
February	49.06	49.04	- .04	42.25	42.67	+ .99
March	49.09	49.20	+ .22	42.29	42.67	+ .90
April	48.65	48.73	+ .16	42.31	42.63	+ .76
May	48.73	48.95	+ .45	42.24	42.52	+ .66
June	48.94	48.72	- .45	42.12	42.42	+ .71
July	48.02	48.33	+ .65	42.00	41.31	-1.64
August	48.74	48.80	+ .12	42.19	42.17	- .04
September	49.30	49.06	- .49	42.65	43.08	+1.01
October	49.37	49.61	+ .49	42.85	43.22	+ .86
November	49.21	49.81	+1.22	42.79	43.22	+1.00
December	48.89	49.04	+ .31	42.72	43.12	+ .94
YEARLY AVERAGE	48.92	49.03	+ .22	42.39	42.64	+ .59

^{1/} Price includes subsidies less inquota levies and skim off levy.

August to December, 1989 pool rates have changed due to within-quota levy refund by the Canadian Dairy Commission.

TABLE IX

SALES OF FLUID MILK IN LITRES IN CONTROL AREAS - 1989-90 (WHOLE MILK, PARTIALLY SKIMMED 2% & 1% SKIM, CREAM, BUTTERMILK)

YEAR	REGINA	ALBERTA	YORKTON	SASKATOON	SWIFT CURRENT	BATTLE- FORD	WYTHORN	NESTON	MEAFORT	LYND-2/ KILBERT	TOTALS		
JAN	2,618,462	554,433	748,559	2,697,503	369,979	401,624	200,432	175,148	332,043	257,085	8,355,268		
% CHANGE	2,630,776	550,120	725,063	2,630,006	359,833	386,099	192,106	169,689	312,460	227,387	8,183,539		
	+ .47	- .78	- 3.14	- 2.50	- 2.74	- 3.87	- 4.15	- 3.12	- 5.90	- 11.55	- 2.06		
FEB	2,504,387	507,917	677,728	2,453,552	338,318	371,641	180,472	162,352	291,785	227,031	7,715,183		
% CHANGE	2,415,769	498,822	663,685	2,386,629	320,709	354,904	170,840	153,059	283,829	207,134	7,455,380		
	- 3.54	- 1.79	- 2.07	- 2.73	- 5.20	- 4.50	- 5.34	- 5.72	- 2.73	- 8.76	- 3.37		
MAR	2,717,972	567,785	767,708	2,724,044	379,379	413,004	201,545	182,316	332,361	253,365	8,539,479		
% CHANGE	2,729,879	567,382	752,162	2,720,834	374,164	399,793	197,621	177,568	327,097	231,188	8,477,688		
	+ .44	- .07	- 2.03	- .12	- 1.37	- 3.20	- 1.95	- 2.60	- 1.58	- 8.75	- .72		
APR	2,491,606	495,873	686,838	2,413,924	345,411	360,617	179,484	161,672	296,507	216,519	7,648,451		
% CHANGE	2,426,886	503,937	674,955	2,423,368	354,601	362,721	182,544	149,719	300,898	216,878	7,596,507		
	- 2.60	+ 1.63	- 1.73	+ .39	+ 2.66	+ .58	+ 1.70	- 7.39	+ 1.48	+ .17	- .68		
MAY	2,561,614	547,889	740,857	2,530,692	376,775	401,357	201,655	168,482	321,004	237,017	8,087,342		
% CHANGE	2,567,265	553,650	759,327	2,524,520	383,359	407,411	202,895	164,512	327,333	231,329	8,121,601		
	+ .22	+ 1.05	+ 2.49	- .24	+ 1.75	+ 1.51	+	- 2.36	+ 1.97	- 2.40	+	+.42	
JUN	2,565,484	553,870	733,327	2,498,875	374,012	414,788	197,294	166,619	313,983	229,485	8,047,737		
% CHANGE	2,441,372	538,280	723,669	2,356,245	348,601	389,388	185,465	170,288	289,743	209,955	7,663,311		
	- 4.84	- 2.81	- 1.32	- 5.71	- 6.79	- 6.14	- 6.00	+ 2.20	- 4.41	- 0.51	- 4.78		
JUL	2,195,198	518,109	665,386	2,166,056	325,705	368,264	180,874	139,680	271,108	196,672	7,027,052		
% CHANGE	2,229,692	527,607	708,308	2,217,456	345,660	402,426	190,440	143,218	289,743	210,013	7,264,563		
	+ 1.57	+ 1.83	+ 6.45	+ 2.37	+ 6.13	+ 9.28	+ 5.29	+ 2.53	+ 6.07	+ 6.78	+ 3.38		
AUG	2,527,953	572,125	748,965	2,492,889	379,310	418,398	201,211	166,661	318,142	229,856	8,055,510		
% CHANGE	2,499,306	555,529	751,716	2,493,164	384,213	414,914	205,448	168,593	319,101	224,396	8,016,380		
	- 1.13	- 2.90	+ .37	+	+ 1.29	- .83	+	+ 1.16	+	- 2.38	- .49		
SEP	2,610,924	545,397	747,804	2,578,497	364,250	386,691	190,901	170,566	303,430	217,236	8,115,696		
% CHANGE	2,381,832	484,620	675,649	2,394,039	336,020	351,404	173,995	150,543	274,553	206,415	7,429,070		
	- 8.77	- 11.14	- 9.65	- 7.15	- 7.75	- 9.13	- 8.86	- 11.74	- 9.52	- 4.98	- 8.46		
OCT	2,661,793	560,268	747,355	2,673,473	379,157	409,458	199,655	167,928	325,719	237,907	8,362,713		
% CHANGE	2,648,813	543,400	758,743	2,608,426	382,169	405,936	203,057	173,968	317,833	238,018	8,358,363		
	- .49	- 3.37	+ 1.52	+	+	+	+	+	- 2.42	+	+	+.05	
NOV	2,582,849	525,988	695,310	2,589,606	359,097	381,129	184,372	167,018	305,753	216,606	8,007,728		
% CHANGE	2,666,536	545,684	751,472	2,694,284	379,789	400,829	199,496	174,941	319,610	240,246	8,372,887		
	+ 3.24	+ 3.74	+ 8.08	+ 4.04	+ 5.76	+ 5.17	+ 8.20	+ 4.74	+	+ 10.91	+	+	+.56
DEC	2,511,068	525,530	735,495	2,496,230	346,877	391,075	186,200	164,749	312,708	214,498	7,884,430		
% CHANGE	2,502,790	513,127	711,128	2,560,839	362,904	388,321	186,191	160,617	301,855	218,871	7,906,643		
	- .33	- 2.36	- 3.31	+	+ 4.62	- .70	- .01	- 2.51	- 3.47	+ 2.04	+	+	+.28
TOTALS	30,549,310	6,475,184	8,695,332	30,315,341	4,338,270	4,718,046	2,304,095	1,993,191	3,724,543	2,733,277	95,846,589		
% CHANGE	30,140,916	6,380,158	8,655,877	30,089,810	4,332,822	4,664,066	2,290,098	1,956,715	3,674,440	2,661,830	94,845,932		
	- 1.34	- 1.47	- .45	- .74	- .14	- 1.14	- .61	- 1.83	- 1.35	- 2.61	- 1.04		

1/ Includes the control area of Moose Jaw.

2/ Lloydminster is not a controlled area but is under the Saskatchewan Fluid Milk Pool.

3/ The sales and production for the control area of Melville are included in Regina and Yorkton.

TABLE X

TOTAL SALES OF MILK & CREAM IN LITRES
BY SIZE OF CONTAINERS
JANUARY 1, 1990 - DECEMBER 31, 1990

<u>SIZE OF CONTAINERS</u>	<u>YEAR</u>	<u>FLUID MILK PRODUCTS</u>	<u>% OF TOTAL</u>	<u>CREAM</u>	<u>% OF TOTAL</u>	<u>TOTAL ALL PRODUCTS</u>	<u>% OF TOTAL</u>
20 LITRES	1989	2,102,320	2.20	----	----	2,102,320	2.13
	1990	1,797,280	1.90	----	----	1,797,280	1.84
15 LITRES	1989	1,091,505	1.14	22,935	.85	1,114,440	1.13
	1990	1,127,955	1.19	22,770	.84	1,150,725	1.18
10 LITRES	1989	2,450	----	21,530	.80	23,980	.03
	1990	3,790	----	26,650	.99	30,440	.03
4 LITRES	1989	3,621,492	3.78	----	----	3,621,492	3.67
	1990	3,331,568	3.51	----	----	3,331,568	3.42
2 LITRES	1989	76,078,052	79.37	----	----	76,078,052	77.20
	1990	75,743,778	79.86	----	----	75,743,778	77.65
1 LITRE	1989	9,282,946	9.69	425,924	15.76	9,708,870	9.85
	1990	9,011,870	9.50	456,339	16.88	9,468,209	9.71
500 ML.	1989	1,497,028	1.56	1,438,767	53.24	2,935,795	2.98
	1990	1,611,826	1.70	1,413,761	52.31	3,025,587	3.10
250 ML.	1989	2,099,210	2.19	302,884	11.20	2,402,094	2.44
	1990	2,059,753	2.17	294,744	10.90	2,354,497	2.41
125 ML.	1989	70,404	.07	----	----	70,404	.07
	1990	158,112	.17	----	----	158,112	.16
CREAMETTES	1989	1,182	----	490,457	18.15	491,639	.50
	1990	----	----	488,606	18.08	488,606	.50
TOTALS	1989	95,846,589	100.00	2,702,497	100.00	98,549,086	100.00
	1990	94,845,932	100.00	2,702,870	100.00	97,548,802	100.00

TABLE XI

CREAM PRODUCER PROFILE BY DAIRY YEAR

<u>DAIRY YEAR</u>	<u>KGMS QUOTA</u>	<u>% CHANGE</u>	<u># OF PRODUCERS</u>	<u>% CHANGE</u>	<u>AVE. QUOTA PER PRODUCER</u>
1986-87	597,470	- 20.80	1,459	- 17.62	410
1987-88	480,092	- 16.76	1,139	- 21.93	422
1988-89	440,714	- 8.20	984	- 13.61	448
1989-90	370,249	- 15.99	853	- 13.31	434
1990-91	279,842	- 24.42	655	- 23.21	427

TABLE XII

SUMMARY OF QUOTA TRANSFERRED BY DAIRY YEAR1986/87 - 1989/90

<u>TYPES OF TRANSFER</u>	<u>1986/87</u>		<u>1987/88</u>		<u>1988/89</u>		<u>1989/90</u>	
	<u>KGMS</u>	<u>%</u>	<u>KGMS</u>	<u>%</u>	<u>KGMS</u>	<u>%</u>	<u>KGMS</u>	<u>%</u>
WITHIN FAMILY	1,636,839	15.4	352,887	4.9	650,345	7.9	2,226,725	19.9
ON-GOING OPERATIONS	754,338	7.1	979,946	13.5	1,034,605	12.5	841,506	7.5
NEW LOCATION	8,212,883	77.5	5,928,698	81.6	6,566,121	79.6	8,147,586	72.6
TOTAL TRANSFERRED	10,604,060	100.0	7,261,531	100.0	8,251,071	100.0	11,215,817	100.0
PERCENT OF TOTAL QUOTA	4.6		3.1		3.6		5.0	
20% BOARD ASSESSMENT ^{1/}	1,690,670		1,621,486		1,335,748		1,661,662	
PERCENT OF TOTAL QUOTA	0.73		0.70		0.58		0.74	
TOTAL QUOTA ISSUED - MILK EQUIVALENTS	231,049,084		231,660,100		230,828,805		223,808,687	

^{1/} Board assessments on quota transfers were used to avoid or minimize yearly quota reductions resulting from consumption declines.

TABLE XIII

**SCHEDULE OF BASIC TRANSPORTATION CHARGES
BASED ON PRODUCER MONTHLY PRODUCTION**

<u>KGS. PRODUCED MONTHLY</u>	<u>PRODUCER ^{1/} BASIC RATE</u>	
	<u>1989</u>	<u>1990</u>
Min. Charge - 9,000	\$1.302	\$1.432
9,001 - 13,600	1.275	1.403
13,601 - 18,100	1.249	1.374
18,101 - 22,600	1.209	1.330
22,601 - 27,200	1.195	1.315
27,201 - 31,700	1.182	1.300
31,701 - 36,200	1.169	1.286
36,201 - 40,800	1.156	1.272
40,801 - 45,300	1.142	1.256
45,301 - 49,900	1.129	1.242
49,901 - 54,400	1.117	1.229
54,401 - 58,900	1.102	1.212
58,901 - 63,500	1.089	1.198
63,501 - 68,000	1.076	1.184
68,001 - 72,600	1.062	1.168
72,601 - 77,100	1.050	1.155
77,101 - 81,600	1.036	1.140
81,601 - 86,200	1.009	1.110
86,201 - and over	1.009	1.110

Distance to be based on the air kilometres between the producer and the nearest processor.

Haulage rate based on kilometres plus volume formula.

^{1/} A kilometre rate of 1.46 (.0146) (1986 - .0127) per kilometre per 100 kilograms.